BSA's Digital Policy Recommendations for France in 2022

Digital technology, particularly enterprise software, is transforming the way we work and live. Enterprise software helps governments and businesses operate more efficiently and securely, increases opportunities for innovation, and underpins growth in every sector of the global economy.[1]

> The enterprise software industry supports a wide range of organizations—small-, medium- and large-sized companies; public administrations and institutions such as hospitals, schools and universities; and non-profit groups. Enterprise software enables the post-crisis economic recovery, helps governments with their digital transformation, and supports the green transition.

As France enters a new political cycle, strengthening the country's digital transformation and deepening its role as a European powerhouse in a globalized world should be among the top priorities of the incoming government.

TO SUPPORT THESE PRIORITIES, BSA | THE SOFTWARE ALLIANCE[2] OFFERS THE FOLLOWING RECOMMENDATIONS:

Strengthen the Digital Transformation of France, Its Society, Administration, and Industries

....

Continue IT Modernization for Public Administration and Businesses

....

Enable French Businesses to Compete Globally

Deepen the Role of France as a European Powerhouse in a Globalized World

....

Keep France and Europe Open to the World

....

Build on Existing EU Rules, Values, and Globally Agreed Disciplines

....

Strengthen International Partnerships

Strengthen the Digital Transformation of France, Its Society, Administration, and Industries

Continue IT Modernization for Public Administration and Businesses

Before the Covid-19 pandemic, 75 percent of the value created online globally came from traditional industries like agriculture, logistics, and manufacturing.[3] The pandemic has accelerated the digitalization of societies and economies worldwide. It also underlines the need for a long-term, open-market approach, building on the recovery, investment, and digital transformation plans already set in motion at the French and European levels.

RECOMMENDATIONS

➲ **Support Digital Technologies Uptake.** French companies can benefit from adopting software technologies to advance their digital transformation, reinforce their competitiveness, and support the green transition of the economy,[4] but currently, approximately only 30 percent of French companies digitize their operations. The National Recovery and Resilience Plan aims for 25 percent of investments to support the digital transition. This plan should be leveraged fully—it is an opportunity to modernize the French economy further and build more resilient businesses and organizations.

➲ **Promote Open Government Data and Voluntary Industry Data Sharing.** The benefits of open data cut across sectors and the 2016 "Loi pour une République numérique" has made France a front-runner in this area. Government-generated data can be a powerful engine for creating jobs and promoting economic growth when open government data is encouraged. Promoting voluntary industry data sharing and data sharing within the public sector will contribute to fully embracing the benefits of open data.

➲ **Prioritize Cybersecurity.** Cybersecurity threats are constantly on the rise and affect all types of organizations. Building on the February 2021 Cybersecurity Strategy, the government should incentivize cybersecurity preparedness, risk management, and investigative and remediation capacity building across public and private organizations, through investment and awareness-raising campaigns.

➲ **Bridge the Skills Gap.** France must help its workforce transition and adapt to meet the requirements of the new digital economy. Digital education and data literacy should be promoted for everyone and across all stages of life, from primary schools and universities to vocational training and "re-skilling." This also comes with creating more diversity in education and technology career fields, reducing dropouts, and increasing these careers' attractiveness to diverse profiles. According to some estimates, there will be 230,000 job openings in the digital sector in France by 2025.[5]

Enable French Businesses to Compete Globally

With an estimated 60 percent of global GDP being digitized by 2022, French businesses must be able to compete globally and access the technology they need to do so.[6] As the European Strategy for Data rightly points out, "European companies operate in a connected environment that goes beyond EU borders, so that international data flows are indispensable for their competitiveness."[7]

RECOMMENDATION

➡ **Protect International Data Flows.** International data flows help ensure privacy, security, and resilience online. Data flows are essential to using digital tools such as the cloud, data analytics, and artificial intelligence (AI), and are therefore vital to the functioning and competitiveness of French and European companies of all sizes and across sectors.[8] Imposing unjustified or disproportionate restrictions to the movement of data across borders creates unnecessary costs, difficulties, and uncertainties that hamper digital transformation, competitiveness, and investments.[9] Their impact is first felt by small- and medium-sized companies, which struggle to meet data localization requirements. Policy action, whether on privacy, industry, or trade, must abide by the principle of free and secured movement of personal and non-personal data in Europe.[10]

Deepen the Role of France as a European Powerhouse in a Globalized World

Keep France and Europe Open to the World

Europe has a long tradition of openness within its borders and to the world, particularly in international commerce and trade, and in the movement and exchange of technologies, knowledge, and ideas. France's and Europe's resilience is closely linked to their ability to be part of global supply chains in an economy that increasingly relies on international data sharing.

RECOMMENDATION

➡ **Pursue an Open and Collaborative Approach to Digital Sovereignty.** Digital sovereignty must and can be seen as an open approach, which will build confidence in digital tools, facilitate data exchange, and maximize the benefits of innovation. What should matter is not where a company comes from but its strong commitment to Europe and its values, investment in European talent, trustworthiness in data management, and efforts to strengthen Europe's technological development.

Build on Existing EU Rules, Values, and Globally Agreed Disciplines

The French and European policy and legal frameworks are a solid basis for further defining rules for the global digital economy. As France assumes the Presidency of the EU Council in 2022, it will continue to roll out Europe's ambitious digital policy agenda. The focus should remain on keeping an open market approach and tailoring legislation to address clearly identified problems, taking into account the specificities of all actors in the digital value chain.

RECOMMENDATIONS

- ➡ **Ensure a Risk-Based Approach in the Artificial Intelligence Act.**[11] The AI Act is an opportunity to design a governance and enforcement system that fosters AI accountability and innovation by focusing on high-risk AI while ensuring that the obligations and responsibilities for AI providers and users reflect the nature of AI as a service and the diverse AI ecosystem.

- ➡ **Integrate Cloud Policy in the European and International Ecosystem.** Many legislative or industrial initiatives involving cloud computing are emerging at the European level or have a European character.[12] These efforts should be synchronized at the EU level to avoid a fragmentation of the Digital Single Market and promote harmonized security criteria across Europe.

- ➡ **Pursue Tailored, Effective, and Proportionate Policies in the Digital Services Act (DSA) and Digital Market Act (DMA).**[13] The EU's proposed DSA and DMA should strengthen online responsibility and accountability while avoiding a one-size-fits-all approach that would not cater to the specific problems they aim to solve or to diversity of roles across the value chain.

- ➡ **Promote a Risk Management Approach to Cybersecurity in the NIS 2.0 Directive.**[14] The review rightfully aims at raising the bar of cybersecurity preparedness and resilience for a set of critical sectors in Europe. NIS 2.0 should lead to workable, effective, practical rules, avoiding prescriptive behavior and allowing organizations to adapt measures and processes to the risks they face and their security needs.

Strengthen International Partnerships

Europe's prosperity and international leadership position is built on a lasting commitment to the movement and exchange of knowledge, ideas, and technologies. At a time when trade barriers and digital protectionism are on the rise across the globe, Europe and its allies must remain thought leaders on value-based digital policy and multilateralism.

RECOMMENDATION

- ➡ **Collaborate with Like-Minded Partners on Global Digital Governance.** As economies and societies become increasingly digital and more global, agreeing on common digital policy principles and ensuring convergence and interoperability of rules are prerequisites for security and prosperity online. France and Europe should continue to engage constructively in e-commerce negotiations at the World Trade Organization and work with like-minded allies to agree on a set of principles for government access to data. France should also continue to engage in OECD and G7 discussions to build a shared global consensus on the free flow of data.

Endnotes

1 Les Logiciels d'Entreprise au Service des Sociétés, à l'Ère de l'Économie Numérique (January 19, 2021), https://www.bsa.org/fr/policy-filings/les-logiciels-dentreprise-au-service-des-societes-a-lere-de-leconomie-numerique.

2 BSA | The Software Alliance (www.bsa.org) is the leading advocate for the global software industry. Its members are among the world's most innovative companies, creating software solutions that help businesses of all sizes in every part of the economy to modernize and grow. With headquarters in Washington, DC, and operations in more than 30 countries, BSA pioneers compliance programs that promote legal software use and advocates for public policies that foster technology innovation and drive growth in the digital economy.

3 McKinsey Global Institute "Internet matters: The Net's sweeping impact on growth, jobs, and prosperity," (May 2011), https://www.mckinsey.com/~/media/McKinsey/Industries/Technology%20Media%20and%20Telecommunications/High%20Tech/Our%20Insights/Internet%20matters/MGI_internet_matters_full_report.ashx.

4 Soumission BSA à la Consultation Publique sur la Stratégie d'Accélération, « Cloud » (April 2021), https://www.bsa.org/fr/policy-filings/france-soumission-bsa-a-la-consultation-publique-sur-la-strategie-dacceleration-cloud.

5 « Le secteur numérique, en pleine croissance, manque de candidats », Le Monde (August 25, 2021), https://www.lemonde.fr/economie/article/2021/08/25/la-croissance-du-numerique-se-heurte-au-manque-de-candidats_6092309_3234.html.

6 World Economic Forum "Our Shared Digital Future: Responsible Digital Transformation—Board Briefing," (February 2019), https://www.weforum.org/whitepapers/our-shared-digital-future-responsible-digital-transformation-board-briefing-9ddf729993.

7 Communication « Une Stratégie Européenne pour les Données », COM (2020) 66 final, page 23.

8 See Global Data Alliance, https://globaldataalliance.org/; see e.g., "Jobs in All Sectors Depend upon Data Flows" (2020), https://globaldataalliance.org/downloads/infographicgda.pdf.

9 See BSA comments on the European Commission's Trade and Investment Policy Review (2020), https://www.bsa.org/news-events/news/bsa-calls-for-open-digital-trade-to-form-essential-pillar-of-europes-new-trade-strategy.

10 As established in the General Data Protection Regulation and the Regulation on the Free Flow of Data.

11 EU: BSA AI Act Position Paper, Voir aussi AI for Europe, https://www.bsa.org/policy-filings/eu-bsa-ai-act-position-paper.

12 These initiatives include the GAIA-X project, the Data Governance Act, the European Data Strategy, the Digital Services Act or the revision of the NIS Directive on the security of networks and information systems.

13 EU: BSA Position Paper on the Digital Services Act (DSA), https://www.bsa.org/policy-filings/eu-bsa-position-paper-on-the-digital-services-act-dsa.

14 EU: BSA Feedback on the Revised Directive on Security of Network and Information Systems (NIS 2.0), https://www.bsa.org/policy-filings/eu-bsa-feedback-on-the-revised-directive-on-security-of-network-and-information-systems-nis-20.